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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-056

Certain Tool Chests and Cabinets from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) determines that imports of certain tool chests and cabinets (tool chests) from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The final dumping margins of sales at LTFV are listed in the "Final Determination" section of this notice.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun or Andre Gziryan, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5760 and (202) 482-2201, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Determination* in the LTFV investigation of tool chests from China on November 16, 2017.¹ For a complete description of the events that

¹ See *Certain Tool Chests and Cabinets from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 82 FR 53456 (November 16, 2017) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

followed the *Preliminary Determination*, *see* the Issues and Decision Memorandum dated concurrently with, and hereby adopted by, this notice.²

Period of Investigation

The period of investigation is October 1, 2016, through March 31, 2017.

Scope of the Investigation

The products covered by this investigation are tool chests from China. For a full description of the scope of this investigation, *see* the “Scope of the Investigation” in Appendix I of this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of issues raised is attached to this notice at Appendix II. The Issues and Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in Commerce’s Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>.

² *See* the Memorandum, “Certain Tool Chests and Cabinets from the People’s Republic of China: Issues and Decision Memorandum for the Final Affirmative Determination of Sales at Less Than Fair Value,” dated concurrently with and hereby adopted by this notice (Issues and Decision Memorandum).

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we verified the U.S. sales and factors of production information submitted by the Tongrun Single Entity³ in December 2017 and January 2018.⁴ We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the Tongrun Single Entity. Because Geelong Sales (Macao Commercial Offshore) Limited (Geelong), the other mandatory respondent in this investigation, informed Commerce that it would not participate in the verification, Commerce did not conduct a verification of Geelong's responses.

China-Wide Entity and Use of Adverse Facts Available

Geelong has prevented Commerce from conducting verification of its questionnaire responses, including its claim that it is a wholly foreign-owned company. Therefore, we find that Geelong has failed to demonstrate its eligibility for a separate rate and is considered part of the China-wide entity. We continue to find that the use of facts available is warranted in determining the rate of the China-wide entity pursuant to section 776(a)(1) and (a)(2)(A)-(C) of the Act.⁵ Further, use of facts available is also warranted pursuant to sections 776(a)(2)(C)-(D) of the Act because, by refusing to allow us to conduct verifications, Geelong, which is part of the

³ The Tongrun Single Entity is comprised of Jiangsu Tongrun Equipment Technology Co., Ltd., Changshu Taron Machinery Equipment Manufacturing Co., Ltd., Changshu Tongrun Mechanical & Electrical Equipment Manufacture Co., Ltd., and Shanghai Tongrun Import and Export Co., Ltd. *See Preliminary Results*, 82 FR at 53457, n.10, and accompanying Preliminary Decision Memorandum at 5-7.

⁴ *See* the Reports, "Less-Than-Fair-Value Investigation of Certain Tool Chests and Cabinets from the People's Republic of China: Verification of the Export Price Sales and Factors of Production Response of the Tongrun Single Entity," and "Less-Than-Fair-Value Investigation of Certain Tool Chests and Cabinets from the People's Republic of China: Verification of the Constructed Export Price Sales Response of the Tongrun Single Entity," dated January 18, 2018.

⁵ *See Preliminary Determination* and accompanying Preliminary Decision Memorandum at 18-21.

China-wide entity, significantly impeded the proceeding, as Geelong's questionnaire responses and data could not be verified.

Further, we found that the China-wide entity, which includes Geelong and other uncooperative respondents, did not cooperate to the best of its ability to comply with our requests for information and, accordingly, we determined it appropriate to apply adverse inferences in selecting from the facts available, pursuant to section 776(b) of the Act and 19 CFR 351.308(a).

Changes from the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to our dumping margin calculation for the Tongrun Single Entity.⁶ We also found that Geelong is part of the China-wide entity and, consistent with our *Preliminary Determination*, determined to base the China-wide entity's dumping margin on total adverse facts available. We relied on the highest control-number-specific dumping margin calculated for Geelong in the *Preliminary Determination* to determine the rate for the China-wide entity of 244.29 percent.⁷

Combination Rates

Consistent with *Preliminary Determination*⁸ and Policy Bulletin 05.1,⁹ Commerce calculated combination rates for the respondents that are eligible for a separate rate in this investigation.

⁶ See Issues and Decision Memorandum for a discussion of these changes.

⁷ *Id.* at Comment 1 for a full discussion of this issue.

⁸ See *Preliminary Determinations*, 82 FR at 53457-58.

⁹ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," dated April 5, 2005 (Policy Bulletin 05.1), available on Commerce's website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Final Determination

Commerce determines that the following weighted-average dumping margins exist:

Exporter	Producer	Estimated Weighted - Average Dumping Margin (percent)	Adjusted Cash Deposit Rate (percent)
The Tongrun Single Entity	Changshu City Jiangrun Metal Product Co., Ltd.	97.11	93.94
The Tongrun Single Entity	The Tongrun Single Entity	97.11	93.94
Changzhou Machan Steel Furniture Co., Ltd.	Changzhou Machan Steel Furniture Co., Ltd.	97.11	93.94
Guangdong Hisense Home Appliances Co., Ltd.	Guangdong Hisense Home Appliances Co., Ltd.	97.11	93.94
Hyxion Metal Industry	Hyxion Metal Industry	97.11	93.94
Jin Rong Hua Le Metal Manufactures Co., Ltd.	Jin Rong Hua Le Metal Manufactures Co., Ltd.	97.11	93.94
Ningbo Safewell International Holding Corp.	Zhejiang Xiunan Leisure Products Co., Ltd.	97.11	93.94
Pinghu Chenda Storage Office Equipment Co., Ltd.	Pinghu Chenda Storage Office Equipment Co., Ltd.	97.11	93.94
Pooke Technology Co., Ltd.	Pooke Technology Co., Ltd.	97.11	93.94
Shanghai All-Fast International Trade Co., Ltd.	Kunshan Trusteel Industry Co. Ltd.	97.11	93.94
Shanghai All-Fast International Trade Co., Ltd.	Shanghai All-Hop Industry Co., Ltd.	97.11	93.94
Shanghai All-Fast International Trade Co., Ltd.	Shanghai Hom-Steel Industry Co., Ltd.	97.11	93.94
Shanghai All-Hop Industry Co., Ltd.	Shanghai All-Hop Industry Co., Ltd.	97.11	93.94
Trantex Product (Zhong Shan) Co., Ltd.	Trantex Product (Zhong Shan) Co., Ltd.	97.11	93.94
China-Wide Entity		244.29	241.12

Disclosure

We intend to disclose the calculations performed to parties in this proceeding within five days after public announcement of the final determination in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with sections 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of tool chests from China, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after November 16, 2017, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*.

Pursuant to 19 CFR 351.210(d), upon the publication of this notice, Commerce will instruct CBP to require a cash deposit¹⁰ equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate identified in the table; (2) for all combinations of Chinese exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

¹⁰ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

Commerce published the countervailing duty order in the concurrent countervailing duty investigation of tool chests from China.¹¹ Therefore, we have adjusted the cash deposit rates by deducting applicable estimated domestic subsidy pass-through rates from the final margins. For the Tongrun Single Entity, the non-selected respondents eligible for a separate rate, and the China-wide entity, the applicable estimated domestic subsidy pass-through constitutes 3.17 percent.¹² In the final determination of the concurrent countervailing duty investigation, we made no findings that any of the programs are export-contingent.¹³ Therefore, we did not deduct export subsidies from the final margins. Accordingly, the cash deposit rates are 93.94 percent for the Tongrun Single Entity and the non-selected respondents eligible for a separate rate, and 241.12 percent for the China-wide entity.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of our final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise from China no later than 45 days after our final determination. If the ITC

¹¹ See *Certain Tool Chests and Cabinets from the People's Republic of China: Countervailing Duty Order*, 83 FR 3299 (January 24, 2018). See also *Certain Tool Chests and Cabinets from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 82 FR 56582 (November 29, 2017) (*Tool Chests China CVD Final*) and accompanying Issues and Decision Memorandum.

¹² See *Tool Chests China CVD Final* and accompanying Issues and Decision Memorandum at 9-10. See also the Memorandum, "Certain Tool Chests and Cabinets from the People's Republic of China: Final Double Remedy Memorandum," dated concurrently with this notice at Attachment 1 for our calculations of the estimated domestic subsidy pass-through rates.

¹³ See *Tool Chests China CVD Final* and accompanying Issues and Decision Memorandum. See also, e.g., *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination and Extension of Provisional Measures*, 81 FR 36867 (June 8, 2016), and accompanying Preliminary Decision Memorandum at 13, unchanged in *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 FR 75028 (October 28, 2016).

determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Order

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: April 3, 2018

Appendix I

Scope of the Investigation

The scope of this investigation covers certain metal tool chests and tool cabinets, with drawers, (tool chests and cabinets), from the People's Republic of China (China). The scope covers all metal tool chests and cabinets, including top chests, intermediate chests, tool cabinets and side cabinets, storage units, mobile work benches, and work stations and that have the following physical characteristics:

- (1) a body made of carbon, alloy, or stainless steel and/or other metals;
- (2) two or more drawers for storage in each individual unit;
- (3) a width (side to side) exceeding 15 inches for side cabinets and exceeding 21 inches for all other individual units but not exceeding 60 inches;
- (4) a body depth (front to back) exceeding 10 inches but not exceeding 24 inches; and
- (5) prepackaged for retail sale.

For purposes of this scope, the width parameter applies to each individual unit, *i.e.*, each individual top chest, intermediate top chest, tool cabinet, side cabinet, storage unit, mobile work bench, and work station.

Prepackaged for retail sale means the units may, for example, be packaged in a cardboard box, other type of container or packaging, and may bear a Universal Product Code, along with photographs, pictures, images, features, artwork, and/or product specifications. Subject tool chests and cabinets are covered whether imported in assembled or unassembled form. Subject merchandise includes tool chests and cabinets produced in China but assembled, prepackaged for retail sale, or subject to other minor processing in a third country prior to importation into the United States. Similarly, it would include tool chests and cabinets produced in China that are assembled, prepackaged for retail sale, or subject to other minor processing after importation into the United States.

Subject tool chests and cabinets may also have doors and shelves in addition to drawers, may have handles (typically mounted on the sides), and may have a work surface on the top. Subject tool chests and cabinets may be uncoated (*e.g.*, stainless steel), painted, powder coated, galvanized, or otherwise coated for corrosion protection or aesthetic appearance.

Subject tool chests and cabinets may be packaged as individual units or in sets. When packaged in sets, they typically include a cabinet with one or more chests that stack on top of the cabinet. Tool cabinets act as a base tool storage unit and typically have rollers, casters, or wheels to permit them to be moved more easily when loaded with tools. Work stations and mobile work benches are tool cabinets with a work surface on the top that may be made of rubber, plastic, metal, wood, or other materials.

Top chests are designed to be used with a tool cabinet to form a tool storage unit. The top chests may be mounted on top of the base tool cabinet or onto an intermediate chest. They are often packaged as a set with tool cabinets or intermediate chests, but may also be packaged separately. They may be packaged with mounting hardware (*e.g.*, bolts) and instructions for assembling them onto the base tool cabinet or onto an intermediate tool chest which rests on the base tool cabinet. Smaller top chests typically have handles on the sides, while the larger top chests typically lack handles. Intermediate tool chests are designed to fit on top of the floor standing tool cabinet and to be used underneath the top tool chest. Although they may be packaged or used separately from the tool cabinet, intermediate chests are designed to be used in conjunction with tool cabinets. The intermediate chests typically do not have handles. The intermediate and top chests may have the capability of being bolted together.

Side cabinets are designed to be bolted or otherwise attached to the side of the base storage cabinet to expand the storage capacity of the base tool cabinet.

Subject tool chests and cabinets also may be packaged with a tool set included. Packaging a subject tool chest and cabinet with a tool set does not remove an otherwise covered subject tool chest and cabinet from the scope. When this occurs, the tools are not part of the subject merchandise.

All tool chests and cabinets that meet the above definition are included in the scope unless otherwise specifically excluded.

Excluded from the scope of the investigation are tool boxes, chests, and cabinets with bodies made of plastic, carbon fiber, wood, or other non-metallic substances.

Also excluded from the scope of the investigation are industrial grade steel tool chests and cabinets. The excluded industrial grade steel tool chests and cabinets are those:

- (1) having a body that is over 60 inches in width; or
- (2) having each of the following physical characteristics:
 - (a) a body made of steel that is 0.047 inches or more in thickness;
 - (b) a body depth (front to back) exceeding 21 inches; and
 - (c) a unit weight that exceeds the maximum unit weight shown below for each width range:

Weight to Width Ratio Tool Chests	
Inches	Maximum Pounds
21 > ≤ 25	90
25 > ≤ 28	115
28 > ≤ 30	120
30 > ≤ 32	130
32 > ≤ 34	140
34 > ≤ 36	150
36 > ≤ 38	160
38 > ≤ 40	170
40 > ≤ 42	180
42 > ≤ 44	190
44 > ≤ 46	200
46 > ≤ 48	210
48 > ≤ 50	220
50 > ≤ 52	230
52 > ≤ 54	240
54 > ≤ 56	250
56 > ≤ 58	260
58 > ≤ 60	270

Weight to Width Ratio Tool Cabinets	
Inches	Maximum Pounds
21 > ≤ 25	155
25 > ≤ 28	170
28 > ≤ 30	185
30 > ≤ 32	200
32 > ≤ 34	215
34 > ≤ 36	230
36 > ≤ 38	245
38 > ≤ 40	260
40 > ≤ 42	280
42 > ≤ 44	290
44 > ≤ 46	300
46 > ≤ 48	310
48 > ≤ 50	320
50 > ≤ 52	330
52 > ≤ 54	340
54 > ≤ 56	350
56 > ≤ 58	360
58 > ≤ 60	370

Also excluded from the scope of the investigation are service carts. The excluded service carts have all of the following characteristics:

- (1) casters, wheels, or other similar devices which allow the service cart to be rolled from place to place;
- (2) an open top for storage, a flat top, or a flat lid on top of the unit that opens;
- (3) a space or gap between the casters, wheels, or other similar devices, and the bottom of the enclosed storage space (e.g., drawers) of at least 10 inches; and
- (4) a total unit height, including casters, of less than 48 inches.

Also excluded from the scope of the investigation are non-mobile work benches. The excluded non-mobile work benches have all of the following characteristics:

- (1) a solid top working surface;
- (2) no drawers, one drawer, or two drawers in a side-by-side configuration; and
- (3) the unit is supported by legs and has no solid front, side, or back panels enclosing the body of the unit.

Also excluded from the scope of this investigation are metal filing cabinets that are configured to hold hanging file folders and are classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 9403.10.0020.

Merchandise subject to this investigation is classified under HTSUS categories 9403.20.0021, 9403.20.0026, 9403.20.0030, 9403.20.0080, 9403.20.0090, and 7326.90.8688, but may also be classified under HTSUS category 7326.90.3500.¹⁴ While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

¹⁴ On February 8, 2018, Commerce included HTSUS subheadings 9403.20.0080 and 9403.20.0090 to the case reference files, pursuant to requests by CBP. *See* the Memorandum, “Requests from Customs and Border Protection to Update the ACE Case Reference File,” dated February 8, 2018.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

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- III. Scope Comments
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- VI. China-Wide Rate
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